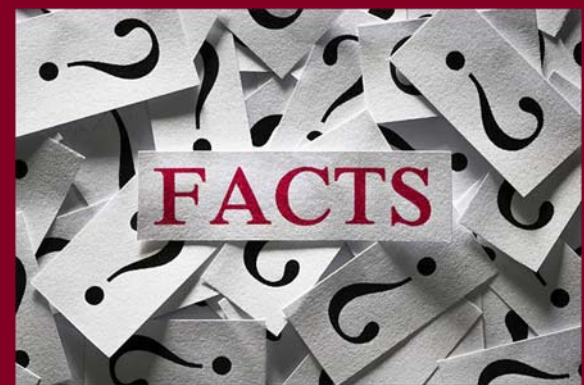




DIVISION OF INSPECTOR GENERAL
Ken Burke, CPA
Clerk of the Circuit Court and Comptroller
Pinellas County, Florida



FOLLOW-UP INVESTIGATION OF NORTH COUNTY BRANCH TRANSACTION



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REPORT NO. 2019-34
NOVEMBER 12, 2019



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November 12, 2019

Teresa Del Rio, Executive Director, Court and Operational Services Division
Connie Daniels, Director, Court and Operational Services Division
Jeanette Phillips, Chief Deputy Director, Finance Division

The Division of Inspector General has conducted a Follow-Up Investigation of North County Branch Transaction. The objective of our review was to determine the implementation status of our previous recommendations. We obtained the investigative purpose, background information, findings, and recommendations from the original investigative report. We added the status of recommendation implementation to this follow-up investigative report.

Of the seven recommendations contained in the original investigative report, we determined that three have been implemented, one has not been implemented, an acceptable alternative was applied to one, and two were no longer applicable. The status of each recommendation is presented in this follow-up report.

We appreciate the cooperation shown by the staff of the Court and Operational Services Division and the Finance Division during the course of this review.

Respectfully Submitted,

Hector Collazo Jr.
Inspector General/Chief Audit Executive

cc: Ken Burke, CPA, Clerk of the Circuit Court and Comptroller
Kellie DiGennaro, Assistant Manager, North County Branch
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INTRODUCTION

Scope and Methodology

We conducted an investigative follow-up of a North County Branch transaction. The purpose of our follow-up review was to determine the status of previous recommendations for improvement.

The purpose of the original investigation was to:

- Determine if a North County Branch Fiscal Record Specialist misappropriated County funds.

To determine the current status of our previous recommendations, we surveyed and/or interviewed management to determine the actual actions taken to implement recommendations for improvement. We performed limited testing to verify the implementation of the recommendations for improvement.

Our investigative follow-up was conducted in accordance with the *Principles and Standards for Offices of Inspector General* and *The Florida Inspectors General Standards Manual* from The Commission for Florida Law Enforcement Accreditation and, accordingly, included such tests of records and other investigative procedures, as we considered necessary in the circumstances. Our follow-up testing was performed during the month of October 2019. The original investigative period was May 2017, through September 2018. However, transactions and processes reviewed were not limited by the investigative period.

Overall Conclusion

Of the seven recommendations in the report, we determined that three were implemented, one was not implemented, two were no longer applicable, and an acceptable alternative was applied to one. We commend management for implementing most of our recommendations and encourage management to implement the remaining recommendation.

Implementation Status Table

| FIC NO. | PREVIOUS RECOMMENDATION | IMPLEMENTATION STATUS | | | | |
|---------|---|-----------------------|------------------------|-----------------------|-----------------|----------------------|
| | | Implemented | Acceptable Alternative | Partially Implemented | Not Implemented | No Longer Applicable |
| 1 | <i>A Check Refund Policy Presents A Risk Of Financial Loss To The Clerk's Office.</i> | | | | | |
| A | Clerk's Accounting remove the policy allowing an FRS to refund cash to the presenter of a personal check as stated in Chapter 7.00 of the Accounting Policies and Procedures Manual, Court and Operational Services Divisions, 2017 Edition. | ✓ | | | | |
| B | Management work with Clerk's Technology to determine if a control can be implemented in Odyssey to prevent cash change when a check is tendered. If a control in Odyssey cannot be implemented, we recommend management review the report listing check payments with cash change returned (Check With Change Back report) on a periodic basis to identify any violations of the Accounting Policies and Procedures Manual. | | | | ✓ | |
| 2 | <i>The Respondent Violated The Clerk's Accounting Policies And Procedures.</i> | | | | | |
| A | Impose the warranted disciplinary action(s) prescribed by the Personnel Rules. Since disciplinary action was administered in May 2018, no additional action is required by management. | | | | | ✓ |
| B | Provide the FRS with additional training, with emphasis on proper cash handling expectations. | | ✓ | | | |
| C | Document the incident in the FACE (Feedback, Ask Questions, Conversation, and Explore Options) performance management software system for the FRS. | ✓ | | | | |
| 3 | <i>The Respondent Incorrectly Cleared A Driver License Suspension.</i> | | | | | |
| A | Impose the warranted disciplinary action(s) prescribed by the Personnel Rules. Since disciplinary action was | | | | | ✓ |

| | | | | | | |
|----------|--|---|--|--|--|--|
| | administered in May 2018, no additional action is required by management. | | | | | |
| B | Provide the FRS with additional training, with emphasis on what the requirements are for clearing a driver license suspension. | ✓ | | | | |

Background

Many citizens have used or will use the offices of the Clerk of the Circuit Court and Comptroller at some point in their life to:

- Pay a traffic ticket
- File a pleading
- Record a property deed
- Settle an estate
- Look up public information
- Serve on a jury
- Pick up a child support check
- Obtain a marriage license

The North County Branch Office is one of several offices of the Pinellas County Clerk of the Circuit Court and Comptroller (Clerk). The branch provides the following services:

- Traffic court hearings
- Accept payments for:
 - traffic, criminal, and misdemeanor fines and costs
 - payable traffic citations
 - non-criminal payable infractions, boating, fishing, and smoking violations
 - local, municipal, and county ordinances
- Issue marriage licenses and perform marriage ceremonies
- Accept passport applications
- Accept documents for recording in the Official Records
- Provide public access to the Official Records
- Accept payment for copies of:
 - history checks
 - imaged documents
 - pleadings in traffic files
 - documents in the Official Records
- Accept child support payments
- Accept new civil cases for both Circuit and County Court, including small claims, probate new estates, and probate Baker and Marchman Act petitions
- Issue certain types of summons on the original complaint
- Accept pleadings for filing in the areas of traffic, civil, and probate
- Accept Value Adjustment Board petitions with required fee
- Limited driver license reinstatements



Citizens who are issued a traffic citation must satisfy the ticket in the county in which they were issued. Most infraction violations must be paid within 30 calendar days from the date the ticket was issued, or a suspension will be entered against the driver license and additional penalties will be assessed. For driver licenses suspended for failure to pay in Pinellas County, citizens may pay the fine amount owed plus the assessed delinquent fee, at one of the Clerk's Office locations, including the North County Branch Office, using cash, check, money order, debit, or credit card. Traffic citations are processed through Odyssey, a unified court Case Management System.

The Clerk's Office can assist in reinstating driver licenses, except for those dealing with child support and financial responsibility. A reinstatement fee is required. Driver license suspensions and clearances are reported through the Comprehensive Case Information System (CCIS), a secured single point of search for statewide court case information. The information held by the Clerks of Court that may be accessed through CCIS includes court case information, Official Records, and performance and accountability measures. Information that may be accessed includes criminal history records, inmate data, and driver license information through links to the websites of the Florida Department of Law Enforcement, the Department of Corrections, and the Department of Highway Safety and Motor Vehicles.

On May 17, 2017, the Clerk requested we investigate an unusual transaction that occurred on May 4, 2017, at the North County Branch Office. The transaction sequence of events in Odyssey and CCIS were as follows:

- On May 4, 2017, a Fiscal Records Specialist (FRS, Respondent) assisted a customer who tendered a check in the amount of \$201 to fully satisfy a traffic infraction case; a counter payment for only \$60 was recorded.
- The Respondent issued \$141 in change from the cash drawer. The customer stated they did not receive the change (cash refund).
- The Respondent cleared the driver license suspension in Odyssey and CCIS, even though a balance of \$141 remained on the case.
- On May 15, 2017, the \$60 payment was reversed because the customer's check, for \$201, was returned for non-sufficient funds.
- A driver license suspension infraction was completed in Odyssey, and the Department of Highway Safety and Motor Vehicles was notified.

As part of our investigation, we reviewed the Respondent's personnel file, Odyssey and CCIS case information related to the transaction in question, several years of *Check With Change Back* reports (list transactions where the amount of the check tendered is greater than the payment total amount, leaving a balance due back to the customer), policies and procedures, and conducted interviews with management and the Respondent. Security cameras were not present at the time the transaction occurred, but Real Estate Management has since installed security cameras at the North County Branch Office.

Through our investigative process, we concluded the allegation was unsubstantiated, as there was insufficient evidence to either prove or disprove that the Respondent misappropriated the \$141 in change. Based on the information gathered during the investigation, applicable recommendations are presented in the following section.

STATUS OF RECOMMENDATIONS

This section reports our investigative follow-up on actions taken by management on the recommendations for improvement in our original investigative report of the North County Branch Transaction. The recommendations contained herein are those of the original investigative report, followed by the current status of the recommendations.

1. A Check Refund Policy Presents A Risk Of Financial Loss To The Clerk's Office.

The policy allowing cash change on a personal check presents the risk of loss of funds. In the event a customer tenders a check in an amount greater than what is applied to a case, and cash change is refunded to the customer, if the check is returned for non-sufficient funds, the Clerk's Office may be out the funds refunded.

Chapter 7.00 Disbursements, 7.20 Check Authorization, Refunds, Personal Checks, of the Accounting Policies and Procedures Manual, Court and Operational Services Divisions, 2017 Edition (AP&P Manual) states:

"1. FIVE DOLLARS (\$5.00) OR LESS

In the event a cashier is presented a personal check for which a refund of five dollars (\$5.00) or less is required and it is not possible to procure payment for the correct amount (example: the presenter of the personal check is not the maker or drawer thereof) the FRS is authorized to refund cash to the presenter of the personal check, subject to the following restrictions:

A. Cash refunds must be made from cash collections of that business day and must not deplete the FRS' established change fund. The FRS must maintain a minimum cash reserve of no less than the amount consigned to the cashier as the change fund."

During the transaction in question for a traffic infraction case, a customer tendered to the Respondent a check in the amount of \$201. The case had a balance due of \$201; however, only \$60 was applied to the case. The Respondent issued \$141 in change from the cash drawer, leaving the case with a \$141 balance due. A couple of weeks later, the \$201 check was dishonored by the bank. The \$60 payment was reversed, leaving the Clerk's Office short the \$141 cash refunded as change on the check.

The screenshot shows a software window titled "View a Payment (Reversed)". It is divided into two main sections: "Transaction Detail" on the left and "Tender Detail" on the right.

Transaction Detail:

- Receipt #: [Redacted]
- System: [Redacted]
- Date: 05/04/2017
- Type: COUNTER PAID
- Amount to be Applied: 60.00
- Case Party: ☒ Case Party, ☐ Non Case Party
- Payor: [Redacted] Address: [Redacted]
- Till: [Redacted]
- Comment: [Redacted]

Tender Detail:

- 201.00 CHECK [Redacted]

Summary:

| | |
|---------------------------|--------|
| Total Amount Tendered | 201.00 |
| Amount Applied | 60.00 |
| Change Issued From Drawer | 141.00 |

Allowing cash change back on a check can also lead to abuse, since Odyssey does not have controls to prevent an FRS from refunding more than \$5. Examples include the transaction that is within the scope of this investigation (\$141 cash as change), and in 2014, an FRS validated \$50 cash as change back on a \$588 Western Union money order.

Chapter 7.00 Disbursements, Section 7.20 Check Authorization, Refunds, Personal Checks, of the AP&P Manual states:

"2. GREATER THAN FIVE DOLLARS (\$5.00)

Refunds due for greater than five dollars (\$5.00) will be processed as a check refund payable to the maker or drawer of the personal check accepted for collection... Check refunds due on personal checks or money orders accepted for collection by the Clerk will be disbursed subsequent to the time interval required for the clearance of such personal check by the banking system engaged by the Clerk."

This policy has controls to prevent financial loss from a check that is returned for non-sufficient funds, because the change is not disbursed until the check clears the bank.

We Recommended Clerk's Accounting Management:

- A. Remove the policy allowing an FRS to refund cash to the presenter of a personal check as stated in Chapter 7.00 of the Accounting Policies and Procedures Manual, Court and Operational Services Divisions, 2017 Edition.

We Recommended Court and Operational Services Management:

- B. Work with Clerk's Technology to determine if a control can be implemented in Odyssey to prevent cash change when a check is tendered. If a control in Odyssey cannot be implemented, we recommend management review the report listing check payments with cash change returned (*Check With Change Back* report) on a periodic basis to identify any violations of the Accounting Policies and Procedures Manual.

Status:

- A. **Implemented.** The Accounting Policies and Procedures Manual was revised in September 2019. There is a modification of verbiage to "Chapter 7.00 Disbursements, Section 7.20 Check Authorization, Refunds, Personal Checks." Management revised the manual to exclude the procedure authorizing an FRS to refund cash to the presenter of a personal check for which a refund was due.
- B. **Not Implemented.** A control was not implemented in Odyssey to prevent cash change when checks are tendered. Management stated there is no control in place to monitor for cash refunds when checks are tendered. We continue to encourage management to implement our recommendation.

2. The Respondent Violated The Clerk's Accounting Policies And Procedures

The Respondent violated the AP&P Manual by issuing a refund for more than authorized, resulting in a \$141 loss to the Clerk's Office. The Respondent had no recollection of the transaction and could offer no feedback on the cash refund.

The Respondent is an FRS. Chapter 2.00 Transfers of Funds, Section 2.22 Definitions, of the AP&P Manual defines an FRS as a, "Person responsible for receiving money from the public, either directly or by mail, and performing the duties outlined in Section 1.11." Section 1.11 of the AP&P Manual outlines duties of an FRS, which includes maintaining control of all cash received.

Chapter 7.00 Disbursements, Section 7.20 Check Authorization, Refunds, Personal Checks, of the AP&P Manual states:

"1. FIVE DOLLARS (\$5.00) OR LESS

In the event a cashier is presented a personal check for which a refund of five dollars (\$5.00) or less is required and it is not possible to procure payment for the correct amount (example: the presenter of the personal check is not the maker or drawer thereof) the FRS is authorized to refund cash to the presenter of the personal check, subject to the following restrictions:

- A. *Cash refunds must be made from cash collections of that business day and must not deplete the FRS' established change fund. The FRS must maintain a*

minimum cash reserve of no less than the amount consigned to the cashier as the change fund."

Refunds due for greater than five dollars are processed as a check refund, payable to the maker of the check subsequent to the time interval required for check clearance by the banking system.

Although the Respondent's till balanced the day of the transaction, in essence, there was a cash shortage, since \$141 was removed from the cash drawer inappropriately. Chapter 3.00 Terminal Operation and Balancing, Section 3.56 Cashier Over or Short, of the AP&P Manual discusses overages and shortages of \$50 or more as follows:

- 5.a. *"ii. Use memo provided to Director as Memo to File for the employee"*
- 5.a. *"vi. 2nd incident of loss of an amount greater than \$50 may result in disciplinary action on a calendar year basis"*
- 5.d. *"All overage and shortages shall be documented in FACE."*
- 5.e. *"Losses resulting from mishandling of funds may result in disciplinary action."*

The Respondent was responsible to properly handle cash in their possession per the Clerk's Policy Manual, 2014 Edition, which states in Chapter 20 County Property:

"Employees are responsible for property being handled or used by them, whether it is furniture, equipment, money, stamps, evidence, or other items of value or importance entrusted to their care."

The Respondent is a classified employee and subject to the Personnel Rules. Personnel Rule 6. Discipline, Section A. Applicability and Purpose, states:

"This rule applies to employees in the Classified Service. The purposes of this rule are to establish procedures for administering discipline and to recommend standard ranges of penalties to promote reasonable consistency in discipline."

Since the Respondent did not follow the AP&P Manual for cash back refunds on a check, which led to a \$141 loss to the Clerk's Office, due to the customer's check being returned for non-sufficient funds, the following Personnel Rules disciplinary guidelines are applicable:

- *"D12 Violation of written rules, regulations, policies or statutes."*
- *"D13 Negligence resulting in minor** consequences."*
- *"D14 Negligence resulting in serious** consequences."*

***IG staff defers to Management's discretion to determine the gravity of the consequences.*

Disciplinary actions for these infractions can range from verbal warning to dismissal.

We Recommended Court and Operational Services Management:

- A. Impose the warranted disciplinary action(s) prescribed by the Personnel Rules. Since disciplinary action was administered in May 2018, no additional action is required by management.
- B. Provide the FRS with additional training, with emphasis on proper cash handling expectations.
- C. Document the incident in the FACE (Feedback, Ask Questions, Conversation, and Explore Options) performance management software system for the FRS.

Status:

- A. **No Longer Applicable.** During May 2018, management administered disciplinary action before issuance of the original report.
- B. **Acceptable Alternative.** The FRS is no longer employed with the Clerk's Office. FRSs have access to the revised Accounting Policies and Procedures Manual via the Clerk's Intranet. Management's process is to email the entire staff regarding changes to the accounting control procedures.
- C. **Implemented.** Management documented the incident in the employee's FACE discussion.

3. The Respondent Incorrectly Cleared A Driver License Suspension.

During the transaction in question for a traffic infraction case, the Respondent entered event code "CLD6" in Odyssey to remove the "D6" (driver license suspension) flag and prevent further collections, even though a balance of \$141 remained. The Respondent is unsure why they cleared the driver license suspension. The procedures for clearing a driver license suspension in Odyssey state:

"1. If there is only one D6 flag on a case, use the event code CLD6 to clear the flag which will set the collection status on the case... After using the event to clear the D6 in Odyssey, go to DMV to complete clearing the D6 as usual."

Per the Odyssey D6 Clearance Flowchart:

"The D6 Status will be removed in the following scenarios:

- 1. If the case balance is paid in full*
- 2. Pay the late fee and the payment plan up to date*
- 3. Pay the late fee and starts a payment plan*
- 4. Submit a written request and pay the late fee (ex. Request for court date, extension of time)*

5. *Waived or voided by the court*

The case did not meet any of these scenarios. The Respondent also incorrectly cleared the customer's driver license suspension in CCIS. On May 4, 2017, (date of transaction in question), the Respondent cleared the driver license suspension with code "90" which means, "Successful D6 Closure(s) and Reinstatement Fee Collected. If (All D6s met court requirements) & (At least one D6 restore date >= DHSMV D6 Date) & (Reinstatement Fee Collected)." However, not all requirements were met.

The Respondent is a classified employee and subject to the Personnel Rules. Personnel Rule 6. Discipline, Section A. Applicability and Purpose, states:

"This rule applies to employees in the Classified Service. The purposes of this rule are to establish procedures for administering discipline and to recommend standard ranges of penalties to promote reasonable consistency in discipline."

Since the Respondent did not follow the Odyssey and CCIS requirements for removing a driver license suspension, which resulted in the customer's driver license being reinstated even though all conditions had not been met, the following Personnel Rules disciplinary guidelines are applicable:

- "D12 Violation of written rules, regulations, policies or statutes."
- "D13 Negligence resulting in minor** consequences."
- "D14 Negligence resulting in serious** consequences."

****IG staff defers to Management's discretion to determine the gravity of the consequences.**

Disciplinary actions for these infractions can range from verbal warning to dismissal.

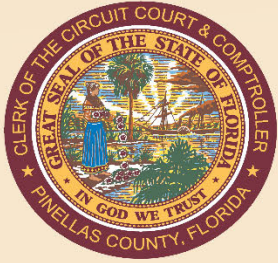
Improper reinstatement of a driver license can lead to fines and fees not being collected, the driver license holder thinking all conditions have been met when they have not, and law enforcement not having accurate information.

We Recommended Court and Operational Services Management:

- A. Impose the warranted disciplinary action(s) prescribed by the Personnel Rules. Since disciplinary action was administered in May 2018, no additional action is required by management.
- B. Provide the FRS with additional training, with emphasis on what the requirements are for clearing a driver license suspension.

Status:

- A. **No Longer Applicable.** During May 2018, management administered disciplinary action before issuance of the original report.
- B. **Implemented.** The FRS is no longer employed with the Clerk's Office. Management provided additional training on the process of clearing driver license suspensions to all FRSs at the North County Branch. Daily reports are provided to FRS for review when beginning their day. If there are transactions that were incorrectly done, the prior business day, FRSs will make the necessary corrections to the clear the driver license suspension.



DIVISION OF INSPECTOR GENERAL

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CLERK OF THE CIRCUIT COURT
AND COMPTROLLER
PINELLAS COUNTY, FLORIDA

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